Re: AOR 1975-109

NOTE: The responsive document to AOR 1975-109 is an Opinion of Counsel, not an opinion issued by the Commission, and does not constitute an Advisory Opinion. It is included in this database for archival purposes and may not be relied upon by any person.

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FEDERAL ELECTION COMMISSION

1325 K STREET N.W. WASHINGTON,D.C. 20463

file

July 22, 1976

AOR 1975-109 issued as OC 1975-134

Honorable J. Bennett Johnston Honorable Ted Stevens U.S. Senate Washington, D. C. 20510

Dear Senators Johnston and Stevens:

This letter is in further response to your letters of November 7, 1975, which was published as AOR 1975-109, and December 22, 1975, which essentially restated your earlier request for an opinion on the question of whether and under what circumstances donated air travel constituted a corporate contribution in violation of 2 U.S.C. §441b (successor to 18 U.S.C. §610). You also raised a question as to the proper valuation of such a contribution for purposes of reporting the contribution and/or reimbursing the corporation.

I apologize for the long delay in responding to these requests. The recent Supreme Court decision and subsequent amendments to the Federal Election Campaign Act of 1971 have prevented the Commission from deciding important issues such as the ones which you pose.

Under the provisions of the Federal Election Campaign Act Amendments of 1976, the Commission is required to interpret the Act primarily through regulations of general applicability which are subject to Congressional review before issuance by the Commission. Accordingly, I refer



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you to the notice of proposed rule making which the Commission published at 41 FR 21572 (May 26, 1976) (copies enclosed). In particular, I direct your attention to the following sections of those proposed regulations:

- (1) Section 100.2(b), which follows 2 U.S.C. §431(b)(2) including persons who have given their consent for any other person to receive contributions or make expenditures on their behalf, within the definition of "candidate" regardless of whether the individual has announced his candidacy.
- (2) Section 106.3 which provides a formula for allocation of expenses between campaign and non-campaign related travel.
- (3) Section 104.3(b) which requires that contributions in kind be valued at the usual and normal price in the market from which the thing contributed ordinarily would have been purchased.
- (4) Section 114.9(e) which requires reimbursement for use of corporate aircraft at either the first class air fare or the usual charter rate for travel in connection with a Federal election.

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I believe that the above sections, if included in the proposed regulations submitted to the Congress and not disapproved by either the Senate or the House, will answer several of the questions you raised. The Commission in these proposed regulations has not addressed the issue of travel on corporate aircraft by non-candidates or by Members who are traveling solely in connection with carrying out their duties as Federal officeholders. I note that there is currently pending with the Commission an opinion request on behalf of Senator Bumpers (AOR 1975-123) which involves a specific situation of this nature. Copies of that request and the responsive opinion, just approved before the release of this letter, are enclosed.

In view of the circumstances described it appears that a further response to your request is not needed at this time. Any further questions involving a specific factual situation of your respective Committees, or either of you personally as holders of elective Federal office which you believe are not answered by the proposed regulations may, of course, be submitted at any time. We appreciate your patience and cooperation.

Sincerely yours,

Signed: John G. Murphy, Jr.

John G. Murphy, Jr. General Counsel

Enclosures

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